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# World Production and Trade

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The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## GRAIN AND FEED

PROCUREMENT SECTION  
CURRENT SERIAL

A drawdown in PAKISTAN's wheat stocks and lower-than-expected procurement from a short crop has caused the government to consider importing 300,000 tons of wheat for November-January delivery, perhaps next month. Some of the drawdown can be attributed to Afghan refugees. The government wants to maintain adequate supplies since wheat is an essential consumer item. Pakistan became self-sufficient in wheat production only recently, but has imported an average of 400,000 tons during the past three years under various aid programs for the refugees. The last commercial wheat tender was held in Washington three years ago, and if the decision to import is forthcoming, it is expected that details will again be released from the Embassy of Pakistan here.

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Record 1984/85 SOVIET wheat imports are proving to be a bonanza for FRENCH wheat sellers this year. Recent reports from the U.S. Embassy in Paris indicate France has sold the Soviet Union between 3.7 million and 4.3 million tons for delivery by February 1984. With France having record large wheat supplies, additional sales are likely for the balance of the 1984/85 marketing year. In recent years, French wheat trade with the Soviet Union has increased sharply, peaking in 1983/84 at nearly 3.5 million tons. However, the level of sales to date suggest that 1984/85 trade could easily set a new record.

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The EUROPEAN COMMUNITY (EC) is facing a record wheat harvest of more than 72 million tons, compared with 59 million in 1983/84. This will strain domestic utilization plans and intensify pressure to export much of the surplus. Commercial soft wheat exports are normally subsidized, and the Community has voluntarily limited those subsidized exports to 14 million tons in 1984/85. In recent months, however, the export subsidy, or restitution, has dropped from \$40-50 per ton to virtually nothing as the dollar has strengthened and the gap between EC and world market prices has disappeared. Since EC officials have already indicated that unsubsidized wheat exports will not count against the 14-million-ton limit, the EC could export some 5-10 million tons of its wheat surplus if market prices remain competitive and if import markets are available. Grain traders have already applied for export licenses without restitutions covering nearly 3 million tons, in expectation of unlimited export prospects.

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In the SOVIET UNION, the twelfth 1984 harvest progress report of the season stated that as of September 10, some 94.3 million hectares of small grains and pulses had been cut. This compares with 100.8 million cut by September 12 last year and 103.3 million by Sept. 13, 1982. Intermittent rains in European USSR were the reason for the slower pace of the harvest, according to the U.S. agricultural attache in Moscow. USDA currently estimates Soviet harvested area at 115.7 million hectares for small grains and pulses and 4.3 million hectares of corn for grain.

#### OILSEEDS AND PRODUCTS

SENEGAL's poorer-than-expected 1984 peanut crop will lead to lower peanut meal and oil exports than earlier forecast. Although 9 percent above 1983 production, a crop predicted at 600,000 tons would be down 25 percent from preliminary projections. The smaller crop is the result of poor rainfall in northern Senegal, the conversion of crop land from peanut to millet production, and a delay in the distribution of fertilizers. Despite the reduced crop, Senegal is expected to maintain its status as the world's leading exporter of peanut oil, although the export forecast has been reduced by 55,000 tons to the current estimate of 65,000. Similarly, peanut meal exports, at an estimated 105,000 tons for 1984/85, although down from the earlier projected 170,000 tons, should maintain Senegal's position as the world's second leading peanut meal exporter, behind India. Primarily due to weather, Senegal's peanut production, and peanut product exports, have been highly variable in recent years.

#### DAIRY, LIVESTOCK AND POULTRY

According to the U.S. agricultural attache in Buenos Aires, ARGENTINE cattle numbers are expected to be up less than 100,000 head to 58.42 million by year's end partly because of poor pasture conditions and some herd culling. This year's cattle slaughter is expected to reach 12 million head, 600,000 head above year-ago levels, with meat production at 2.52 million tons, up 3.3 percent from 1983. For 1985, grazing conditions are expected to improve and this should encourage some increased herd growth and a slight drop in beef production. Significant herd expansion appears unlikely at this time because government policies are keeping beef domestic prices low and world markets are weak.

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The U.S. agricultural attache in Buenos Aires reports that URUGUAY's cattle numbers are expected to increase 2.8 percent this year to 9.75 million head as sharply higher beef prices and favorable weather conditions create an optimistic outlook for producers. With less cattle being marketed, beef production is forecast to decline nearly 14 percent to 35,000 tons, a four-year low. For 1985, further herd growth is expected, which may cause a slight decline in beef production.

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According to the U.S. agricultural attache in Taipei, Hog numbers in TAIWAN are expected to be up slightly in 1984 to 5.9 million head after a 14 percent expansion last year. Pork production is expected to reach 653,000 tons, up 10 percent from last year. Despite lower hog prices (down over 20 percent) and higher feed costs (up over 10 percent) in the first half of 1984, producers are optimistic because exports to Japan have been greater and the improved domestic economy is likely to strengthen demand.

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Reports from the SOVIET UNION covering state and collective farms continue to indicate significant gains in almost all categories of livestock production during January-August 1984. Total meat production is up 8 percent, with beef up 6 percent, pork up 12 percent, sheep and goat meat up 4 percent and poultry meat up 6 percent. Except for sheep and goats, where numbers were down slightly, September 1 animal numbers were reported at record levels. Total cattle numbers were reported at 97.0 million head, up 2 percent. Hogs (62.6 million head) were up 1.3 percent and poultry (775 million birds) were up 1.3 percent. Cumulative milk and egg production were reported up 1 and 3 percent, respectively.

Despite the optimism expressed by the cumulative data, monthly data for the month of August indicate the industry has slowed down. Pork production for August 1984 appears to have been at the same level as in 1983 despite the average increase of 14 percent through July. Hog numbers continued to build at a normal rate during August, implying that the lower-than-expected production was the result of lighter slaughter weight. Milk production for the month was 7 percent below August 1983, indicating the summer drought took its toll on pastures and forage crops. Furthermore, the increase in poultry numbers is significantly smaller than in recent years.

#### COTTON AND FIBERS

In the UNITED STATES, cotton exports increased sharply during 1983/84 to \$2.4 billion, a near-record level exceeded only in the 1979/80 marketing year. Export volume was also up substantially at 6.8 million bales, 30 percent above the 1982/83 total of 5.2 million bales. Leading markets were Japan, South Korea, Taiwan, the Soviet Union and Indonesia. Preliminary 1984/85 forecasts are for brisk shipments during the fall months, but strong foreign competition when abundant 1984/85 foreign crops are harvested. U.S. 1984/85 exports are forecast at 6.1 million bales.

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In 1983/84, the UNITED STATES displaced the Soviet Union as the largest exporter of raw cotton to France. U.S. exports to France were 154,000 bales in 1983/84, more than a threefold increase from 1982/83. The sharp increase was attributable to a short crop in the Soviet Union, which traditionally accounts for about 50 percent of total French imports. Although French import demand remains weak due to adverse domestic economic conditions, U.S. exports to France in 1984/85 should be maintained at last year's high level in light of continued limited export availabilities in the Soviet Union. Soviet production in 1984/85 has recently been revised downward by 200,000 bales and is currently estimated at 12.5 million bales.

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## TOBACCO

In the UNITED STATES, exports of leaf tobacco during July dipped to 8,350 tons, down 39 percent from the 13,586 tons exported in July 1983. Cumulative exports for 1984 total 107,925 tons, off 6 percent from the same period a year earlier. The relatively stronger demand for the 1984 flue-cured crop may strengthen exports during the rest of the year.

Duty-paid imports of leaf tobacco during July 1984 totaled 22,662 tons, up 29 percent from the 19,872 tons imported during July 1983. Cumulative imports for the calendar year total 111,313 tons, 2 percent below the first seven months last year. General imports (actual arrivals) surged in July to 28,652 tons, 84 percent above the July 1983 level of 15,532 tons. Brazil and Turkey accounted for 65 percent of the total imports. Imports from both countries had been lagging the traditional pace. Cumulative 1984 imports now stand at 147,125, compared with 141,336 during January-July 1983.

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On September 7, President Reagan, acting on advice from the Secretary of Agriculture, directed the U.S. International Trade Commission to make an immediate investigation under Section 22 of the Agricultural Adjustment Act of 1933 to determine whether imports of flue-cured, burley, fire-cured and dark air-cured tobacco are materially interfering with the tobacco price support and production adjustment programs administered by the U.S. Department of Agriculture. The investigation will have precedence over other investigations the Commission may be conducting. The Commission will report its findings and recommendations to the President at the earliest practicable date.

## FRUITS AND NUTS

A record U.S. almond crop is expected to boost WORLD commercial production to a record high of 321,500 tons in 1984, 68 percent above the 1983 volume. Production increases also are forecast for Spain and Portugal even though early spring frosts and subsequent dry weather reduced yields in some of the major producing areas. Inclement weather also is cited as the major cause of short crops in both Italy and Turkey. Excessive spring rains hampered pollination and fruit setting in Apulia, the largest growing region on the Italian mainland, resulting in a high incidence of fruit drop and below-average yields. The sharp decline in Turkish output is due to freezing temperatures during blossoming.

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Almonds: Commercial Production in Selected Countries  
(1,000 tons, shelled basis)

Country	1982	1983	1984
Italy	16.0	29.0	17.0
Morocco	3.5	5.3	5.3
Portugal	4.2	3.5	4.0
Spain	60.0	32.0	50.0
Turkey	12.0	12.7	9.3
United States	157.4	108.9	235.9
Total	253.1	191.4	321.5

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WORLD commercial production of filberts is expected to total 420,700 tons in 1984, 27 percent below the 1983 level. Smaller crops are forecast in Turkey, Italy and Spain because of the normal downturn in the production cycle after exceptionally large harvests last season. All three countries report normal quality and kernel size.

Filbert production in the United States is expected to rebound to 12,700 tons, 71 percent above the disease damaged 1983 harvest. Although brown stain does not appear to be a problem this year, cold, rainy weather during pollination adversely affected yields, which were expected to be excellent given that 1984 is an "on" year in the bearing cycle.

Filberts: Commercial Production in Selected Countries  
(1,000 tons, inshell basis)

Country	1982	1983	1984
Italy	115.0	120.0	90.0
Spain	14.0	31.0	18.0
Turkey	220.0	420.0	300.0
United States	17.1	7.4	12.7
Total	366.1	578.4	420.7

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The 1984/85 apple crop in the NORTHERN HEMISPHERE is currently forecast at 13.667 million tons, 7 percent above the 1983/84 volume, but 11 percent below the record 1982/83 harvest. Despite larger crop estimates for most countries, growing conditions in the Northern Hemisphere were less than optimal during the 1984/85 season. Cool, wet weather prevailed throughout most of North America and Europe during the pollination period, adversely affecting yields, quality and, in some instances, fruit size. In Western Europe, maturation also was delayed for approximately two weeks.

Northern Hemisphere pear production for 1984/85 is estimated at 3.638 million tons, down 10 percent from last season. Pears were more severely damaged than apples by the inclement weather, particularly in the European Community and the United States, where pear output is expected to be the lowest since 1978.

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Data are as follows in 1,000 tons:

Country	-----Apples-----			-----Pears-----		
	1982/83	1983/84	1984/85	1982/83	1983/84	1984/85
Canada	478	486	475	31	29	28
Mexico	394	302	380	47	49	51
United States	3,681	3,771	3,780	729	703	624
Total	4,553	4,559	4,635	807	781	703
Belgium/Luxembourg	270	203	242	97	102	67
Denmark	59	47	55	3	4	3
France	1,977	1,550	1,854	428	414	450
Germany, Fed. Rep.	2,637	1,313	1,615	534	380	397
Greece	255	310	340	99	146	123
Italy	2,642	2,059	2,183	1,142	1,219	1,041
Netherlands	440	403	430	105	135	102
United Kingdom	340	293	288	40	54	45
Total	8,620	6,178	7,007	2,448	2,454	2,228
Austria	340	263	279	57	49	52
Norway	44	50	48	8	9	11
Spain	892	1,047	1,106	451	559	482
Sweden	43	42	38	5	5	6
Switzerland	140	99	134	22	20	21
Yugoslavia	746	557	420	177	165	135
Total	2,205	2,058	2,025	720	807	707
Grand total	15,378	12,795	13,667	3,975	4,042	3,638



Selected International Prices

Item	: Sept. 18, 1984	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWRS-13.5%.	188.00	5.12	+1.50
U.S. No. 2 DNS/NS: 14%....	170.50	4.64	0
U.S. No. 2 S.R.W. ....	153.75	4.18	-3.25
U.S. No. 3 H.A.D.....	188.00	5.12	0
Canadian No. 1 A: Durum...	205.00	5.58	-2.50
Feed grains:			
U.S. No. 3 Yellow Corn....	139.00	N.Q.	-12.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	238.00	6.48	-13.50
Brazil 47/48% SoyaPellets	173.00	--	+6.00
U.S. 44% Soybean Meal....	165.00	--	-6.00
U.S. FARM PRICES 3/			
Wheat.....	124.55	3.39	-.37
Barley.....	81.76	1.78	-2.76
Corn.....	116.54	2.96	-1.97
Sorghum.....	99.87	4.53 6/	-.88
Broilers 4/.....	1168.44	--	-56.22
EC IMPORT LEVIES			
Wheat 5/.....	48.25	1.31	-4.00
Barley.....	47.60	1.04	-3.65
Corn.....	36.10	.92	+1.10
Sorghum.....	59.05	1.50	-3.40
Broilers 4/ 6/ 8/.....	162.00	--	-3.00
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	137.70	3.75	-1.15
Bread wheat (min. quality)7/	147.15	4.00	-1.30
Barley and all			
other feed grains.....	137.70	--	-1.15
Broilers 4/ 6/.....	1085.00	--	-35.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat .....	2.20	.06	0
Barley.....	N.A.	N.A.	N.A.
Broilers 4/ 6/ 8/.....	95.00	--	-2.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects exchange rate change and not level set by EC. N.Q.=Not quoted. N.A.=None authorized. Note: Basis October delivery.

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